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U.S. News & World Report

Lester Tanzer
Managing Editor

22 [illegible] 1982

February 22, 1982

Mr. William J. Casey
Director, Central Intelligence Agency
Langley, Virginia

Dear Bill:

The manuscript of our interview with you is submitted for your approval. It has been sized for publication, and the conversational tone, which we feel is important, has been preserved.

Please limit changes to corrections of errors or inaccuracies, making such changes on this original, which we would like to have returned by 4:00 p.m. Wednesday, February 24, at the latest. When the manuscript is ready, please have someone call William Deeck at 861-2305, and we will have it picked up immediately.

After return of the manuscript, we may have to eliminate an entire question and answer for space reasons, or rearrange portions for clarity, continuity or news developments. Should updating of your remarks be necessary or additional questions need to be answered, we will get in touch with you.

Please keep in confidence our plan to publish this interview.

Let me take this opportunity to express our appreciation for your time and cooperation in making these views available to our audience of ten million readers. Immediately upon publication, magazines will be delivered to your office.

Sincerely,

Les Tanzer

LT:w
Enclosure

STORY:CASEY.V QUEUE:READY-WFD MSG:[redacted]
MAGS FMT: HJ: 21 PP INI:JF OPR:ERJ ;02/22,15:34

ORIGINAL TRANSCRIPT

INTERVIEW WITH WILLIAM J. CASEY

DIRECTOR, CENTRAL INTELLIGENCE AGENCY

Washington, D.C.

U.S.NEWS & WORLD REPORT February 18, 1982

Q Mr. Casey, there's a great deal of concern that this country might be dragged into a Vietnam-like quagmire in El Salvador. In your view, is that fear warranted?

A No. I don't think El Salvador or what we're likely to do there bears any comparison to Vietnam. In the first place, El Salvador is on our doorstep. And we're not just talking about El Salvador. We're talking about Central America -- Nicaragua, Costa Rica, Honduras and Guatemala. The insurgency is beamed at all those countires. Furthermore, this is part of a worldwide problem.

Q Worldwide in what sense?

A Around the middle of the '70s, the Soviets assessed the

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impact of Vietnam on American public opinion and decided we probably would be restricted in our ability to respond to low-level insurgency operations. In the last seven years, starting with the dispatch of sophisticated weapons to join up with Cuban troops in Angola, they have developed a very innovative and brilliant mix of tactics --political, diplomatic, destabilization, subversion, terrorists and support of insurgencies. And they have applied this around the world.

Over this past year alone, you've had insurgencies in North Yemen, Chad, Morocco, Kampuchea, El Salvador, Guatemala, Zaire. You have incipient insurgencies in almost every African country. The Soviets work in some concert with Cuba, Libya and North Korea. They work with Angola against Namibia and Zaire; with Ethiopia against Somalia, and with Libya and Ethiopia against the Sudan.

Q How are the Soviet involved?

A What happens in these insurgencies is that the Soviets

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go in and exploit the underlying social and economic discontents, which are plentiful. That gives them a base. They feed it with trained men and with arms. That drives away investment. The insurgents sabotage economic targets, and so economic discontent grows. And as the discontent grows, more people go over to the insurgents' side. It's almost a no-lose proposition for the Soviets. They can stay in the background. They sell their arms and get 20 percent of their hard currency from Libya and other people who can pay for the arms. It's something we have very great difficulty coping with.

Q What is Cuba's role in all this?

A Here's a country of 10 milion with 70,000 people around the world -- military and civilian. Besides the Cuban troops in Angola and Ethiopia, there are 15,000 technical trainees in East Germany and Czechoslovakia and 5,000-6,000 students in the Soviet Union. They have 50 people here, 60 people there -- almost anywhere you can name.

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They can do this because of the demographics that made them get rid of 120,000 people in the Mariel sealift. There has been a 50 percent jump in the 15-to-19 age group in the Cuban population. That's quite a latent force that Castro has nothing to do with at home. He said in a speech just a few months ago that he would like to send 100,000 young Cubans to Siberia to chop down trees for construction projects in Cuba.

Q Do you have convincing evidence that arms supplies are continuing from Cuba to the guerrillas in El Salvador on a significant scale?

A Oh, yes. Without it the guerrillas wouldn't be able to sustain an insurgency.

Q And Nicaragua? What part does it play?

A This whole El Salvador insurgency is run out of Managua by experienced professionals in directing guerrilla wars. You've got to appreciate that Managua has become an international center. There are Cubans, Soviets,

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Bulgarians, East Germans, North Koreans, North Vietnamese, representatives of the PLO. North Koreans are giving some weapons they manufacture. The PLO provides weapons they've picked up around their part of the world. There are American weapons that the Vietnamese brought in in substantial quantities -- mostly small arms that were left behind in Vietnam.

Q How large are these foreign groups operating in Managua?

A In the case of the Cubans, 6,000 are in the country, of whom 4,000 are in civil work and maybe 1,800 or 2,000 are in military and security work. The East Germans and Soviets have somewhere between 1,500; Bulgarians, North Koreans, Vietnamese -- 10 or 20 each.

They all have their little function. The East Germans work on the security system, Cubans work on the general strategy, and the Soviets work, for the most part, on the large weapons that have come in. The North Koreans and Vietnamese are good at caching arms and digging tunnels and

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things like that.

Q Why is the administration apparently so concerned about the arrival in Cuba of crates presumably containing a squadron of MiG-23s -- a plane that already is operating there?

A Well, Cuba has the biggest air force in the hemisphere, next to ours. The new planes are just part of a buildup. But I don't know that we are that concerned. Jimmy Carter made it an issue when MiG-23s arrived in Havana and he didn't do anything about it. I think this President has been rather careful not to make it an issue --although I wouldn't say we're unconcerned.

Q Does what is happening now in Cuba violate the 1962 Kennedy-Khrushchev agreement ending the missile crisis?

A Oh, sure it does because the '62 agreements said the Soviets would send no offensive weapons, and it also said there would be no export of revolution from Cuba. The agreements have been violated for 20 years.

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Q Does that mean you consider the aircraft that are coming to Cuba now are attack planes?

A They're attack airplanes, yes.

Q Are they nuclear capable?

A They can be made nuclear capable. There's an export version which is not nuclear capable. We haven't seen these; they're not out of the crate. The probability is they're the export version but it just takes a little bit of wiring and a little bit of work and some pilot training to make them nuclear capable. And that is a violation of the agreement, I'd say.

On the other hand, the Soviets have better ways to hit us with nuclear bombs. Why would they want to have these rinky-dinky planes in Cuba? It's more likely these planes are for the purpose of building Cuba up militarily, modernizing their army, probably paying them for their work in Africa to keep their forces in Angola and Ethiopia. Their army probably feels happy if it gets modern equipment, and they

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probably wangled these planes out of the Soviets.

Q Could these MiGs be destined ultimately for Nicaragua?

A We think that Nicaragua is lengthening its runways at three airports for the purpose of being able to take this kind of fighter. It probably hasn't been determined whether the planes will go from Cuba to Nicaragua or whether they will go directly from the Soviet Union.

Q Is there a point at which the U.S. says to Russia and Cuba, ``Thus far and no farther''?

A That's the $64 question. I don't think the American public generally perceives the threat in as serious a light as we may perceive it at this stage. I think we'll come to our senses and face up to it.

But you've got a problem not only of American public opinion, but of Latin American public opinion. It's the gringo problem. They don't want us down there. When we go down there, we play into the hands of the Marxists to a degree; we give them a rallying point. So it's a very

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difficult, complex political, diplomatic, military decision. You can't make it without public understanding and public support.

Q Is there any sign that Latin American opinion is changing and becoming more supportive of the U.S.?

A A year ago no Latin American country was greatly concerned about what was happening in El Salvador. Yet when Mexico and France spoke out in support of the El Salvador insurgents several months ago, 12 Latin American countries dissented. That shows growing concern. At the OAS meeting in St. Lucia a couple of months ago, there was a 22-to-3 vote in support of orderly elections in El Salvador. The three dissenters were Nicaragua, Mexico and Granada. Just two or three weeks ago, Costa Rica, El Salvador and Honduras got together and called upon Venezuela, Colombia and the United States to help protect them against Nicaragua.

Increasingly, the Colombians and the Venezuelans are

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getting concerned and ready to move in some way, still undefined. The Mexicans should be concerned because they're the first target. I read now that they've got a quick-reaction force. So maybe they're coming around.

Also, there is dissidence in Nicaragua. A lot of Nicaraguans think that the Sandinistas are betraying the revolution. They resent having the country taken over and run by Cubans. The Cuban ambassador runs Nicaragua today; he tells the junta what to do.

So we can hope that developments in Central America will breed a reaction. You say say ``Halt'' to all this when you're not saying it alone, when you're not perceived to be behaving in Central America the way the Soviets behave in Poland and when you have enough Latin American participation so that you're helping them instead of doing the whole thing for them.

Q Concretely, what threat do these developments in Central America pose for the U.S.?

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A Well, just look at what is happening down there. Nicaragua, a country of 2 1/2 million people, has an army twice the size of El Salvador's, which has twice the population and is fighting for its life. Nicaragua is sitting there with a big army that's getting bigger, with Soviet tanks and airfields being extended and pilots being prepared for Soviet supersonic planes. When and if that happens -- I think it will hapen in six months -- Nicaragua will have military dominance over the rest of Central America, with a population seven times theirs.

If Cuba with 10 million people and Nicaragua with 2 1/2 million people take over the rest of Central America and build up the armies on the scale of their own, you would have upwards of a million-man army down there on our doorstep. Mexico is sitting there with an army of about 150,000 today and never thought of having anything more.

Q What bothers many people in this country about El Salvador are the persistent reports that government troops

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are responsible for most of the massacres of the civilian population. Is this true?

A Nobody knows where all these casualties come from. This is war. Sometimes they come from the government, and sometimes they come from the guerrillas. We are satisfied that the government is sensitive to the importance of disciplining its forces and is making a genuine effort to do so. But that's going to be very slow and not satisfactory to our public opinion. El Salvador has a violent society, and the law is kind of slow. A man can't be convicted of murder without a witness under their law. And those who sit in judgment risk their lives because the society is violent; so judges have a tendency to duck the responsibility.

But the widely propagated notion that all the massacres of civilians are perpetrated by the government and not by the guerrillas is clearly false. In the final analysis, you have to make up your mind whether you would prefer a

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Marxist-Leninist dictatorship to that kind of society.

Q Turning to U.S. relations with Russia: The CIA and the Defense Department both have recently stressed the need to limit Soviet access to American scientific and technological research. Why are you suddenly so concerned about this issue?

A You need to be concerned about it. We have established a technology-transfer center at the CIA that has taken a very comprehensive look at the whole question of the degree to which American research and development -- and Western technology generally -- has contributed to increased accuracy, sophistication, precision, power and countermeasure capability of the Soviet arsenal.

We have determined that the Soviet strategic advances depend on Western technology to a far greater degree than anybody ever dreamed of. It just doesn't make any sense for us to spend additional billions of dollars to protect ourselves against the capabilities that the Soviets have

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developed largely by virtue of having pretty much of a free ride on our R&D. They use every method you can imagine -- purchase, legal and illegal; theft; bribery; espionage; scientific exchange; study of trade press and invoking the Freedom of Information Act -- to get to this information.

We found that scientific exchange is a big hole. We send scholars or young people to the Soviet Union to study Pushkin poetry; they send a 45-year-old man out of their KGB or defense establishment to just the right schools and to the professors who are working on sensitive technology.

The KGB has been developing an independent organization nearly half as big as our whole organization which does nothing but work on getting access to Western science and technology. They've been recruiting about 100 young people a year for the last 15 years. They roam the world looking for technology to pick up. Back in Moscow there are 400 or 500 assessing what they need and where they might get it -- doing their targeting and then assessing what they get.

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It's a very sophisticated and far-flung operation.

Q Can you give us some specific examples of ways that American scientific and technological research has directly contributed to the development of Soviet military capabilities?

A Yes. The Soviet ability to MIRV their weapons -- to develop multiple, independently targetable warheads for their missiles -- came largely from some high-precision grinding equipment they were able to get from us. The accuracy of their missiles that threaten the survivability of our fixed-site land-based systems came from their hooking on to technology in our guidance systems.

I'm not saying they might not have made these advances sometime any way. But they got them on the cheap and quick.

Q How can the U.S. counter this Soviet drive to gain access to American technology?

A This is something which needs to be looked at across the board in terms of our export controls, in terms of the

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openness of information and in terms of scientific exchanges. We should determine what could be done in a way which would be helpful and not counterproductive. I think there probably will be a panel of the American Academy of Sciences that will look carefully at the question of scientific exchanges and determine how far one might go to regulate these. But you're not going to shut these down. We want to preserve an open society. We're not going to alter that. But at the same time, we are entitled to protect scientific and technological secrets.

Q In trying to curb Soviet access to scientific research, are you running into a lot of resistance from businessmen who say you're damaging the free-enterprise system or researchers who say you're trampling on academic freedom?

A I don't think we're running into as much resistance as you would expect. When people get briefed, they see the picture and recognize it as a very serious problem.

Of course, there has been some protest in academic circles

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ty those who think we want to clamp down and impose censorship. That is not being proposed at all. We wanted to surface a problem and see how it could be handled.

Q Early in the Reagan administration there was a great deal of talk about international terrorism and Soviet involvement in it. Is there evidence that the Soviet Union orchestrates the activities of the international terrorist groups?

A No, nobody orchestrates them. You know, it's a great industry. It was always a false issue whether the Soviets directed and controlled world terrorism. World terrorism is made up of a bunch of free-looters, and they're all, more or less, in business for themselves.

The Soviets supply weapons and train the PLO, too. They have training camps in South Yemen. That was their way of getting influence and edging their way into the Middle East.

But if anybody orchestrates them, it's Libya's Qadhafi. He

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has made most of them dependent on him. After the '73 war, when the Arab world was in disarray, Qadhafi was looking for leadership. The only thing he had was money and nothing to spend it on. So he found all these Palestinian organizations wanting to stir things up, and he started to buy them. He started to put money in them. And then he started to train them and so on. There are over 25 training camps in Libya. Training guerrillas and terrorists is the second largest industry there -- second only to oil.

When Qadhafi wants to send hit teams out to get his own dissidents or to retaliate for the downing of two of his planes in the Gulf of Sidra by the United States, he'll go to four or five of these Palestinian organizations and sign them up.

The capitals of terrorism are Tripoli and Beirut. The money comes out of Tripoli, and the infrastructure and the false documents, the headquarters, are in Beirut. It's a big business today. They need money, and Qadhafi provides

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it.

Q What is Qadhafi's aim?

A He's striving for ego satisfaction. He wants to be a big figure in the world; he wants leadership.

Q Is he a madman?

A You could say that. When he's confronted, he has to retaliate. He has that kind of ego drive. He has to show that he's as big as anybody else, and if the United States knocks two of his planes out of the air, he's got to do something about it. He talks about it, and then he's under greater pressure to do something about it. He wants to spread his influence.

Q Are you saying that the hit squads we heard so much about recently were sent out by Qadhafi to assassinate American leaders in retaliation for the downing of two Libyan planes in the Gulf of Sidra?

A I think that's when it started. Of course, we had previously broken diplomatic relations and taken other

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steps against Libya. Qadhafi is a little guy feeling he's being kicked around by the big guy, and he thinks he's really bigger and he's going to show it.

Q Do those hit teams still pose a danger to the President?

A I think they do, sure. You don't call those things off. Qadhafi sent somebody to say, ``We're going to call them off.'' And then he said he was firing people out of his intelligence organization, but we find they're still there. We keep getting reports that people are being recruited, moving around.

It's interesting that the American colonel -- the deputy military attache in Paris -- who was killed at his home was at the highest level below those who are provided with security. I think that so much security was laid on to protect the President and other top Americans that the Libyans pulled back. But you don't know when they're going to resume.

Our Paris embassy believes that a large number of their

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personnel are under surveillance. We see people casing the homes of ambassadors in other countries. There's clearly still a threat, and you've got to be concerned with it.

Q Over all, is the terrorist threat receding? Is that the implication that can be drawn from the rescue of General Dozier from Italy's Red Brigades?

A Oh, no. It's growing. I think we're just seeing the beginning of it. Take the Red Brigades. People who take up that activity, are crazy and their egos are easily bruised. When they suffer a setback, they want to come back or regain their reputation and status. They bungled the Dozier affair from their point of view. So their reputation recedes. Like any other business, when their reputation recedes their ability to recruit and to get money diminishes. If they want to stay in business, they've got to do something again. They've got to score a hit. They do this to make an impression or to get attention.

The reason I say it's going to increase is that the

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opportunity to inflict real damage and to really influence public opinion hasn't been scratched yet. Just the mere threat of going after a nuclear-storage depot or a nuclear plant in Europe -- think what that would do to whip up the peace movement there. The opportunities to score propagandistic hits are so much greater than has been explcited. That's why I think we're going to have more terrorism before we get less of it.

Q If you were naming the half dozen most dangerous spots around the world for the United States over a coming period, what would they be?

A Iran, Central America, the Middle East, the other side of the Persian Gulf, Germany and East Europe, Morocco and the Straits of Gibraltar.

Q Do you mean East Germany, or West Germany and East Europe?

A I think that whole mix. That's where something could break out.

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Then, too, I think, you've got to look at southern Africa. There's the danger of that area being cut off and ultimately falling into the Soviet sphere of influence. That would put a squeeze on the minerals and other resources that are so important to the West. That is not as imminent a threat as a lot of people make it out to be, but still it's something you have to worry about.

But let me emphasize this: We're not the only people at risk. The Soviets have their problems, too.

Q What sort of problems are the most serious for the Soviets?

A I would make three points. First, the Soviets have been able to carry on the biggest military buildup in the history of the world and somehow manage to make us the warmongers. We're portrayed as the threat to peace because we're responding. If we tell our story right, we can turn that tide. We're not very good at it. But we can make the world more concerned about the Soviets as a threat to the

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peace.

Second, the Poland development should be proof of the failure of the command economy and the Communist system. They can't work in the long run without brutal repression. I don't know how Poland and Romania, which is also in a mess, are going to pull out.

Finally, the Soviet economy is in very bad shape. The leadership was a year late with its five-year plan. And in order to increase military spending to match up with ours, they had to make an enormous reduction in their investment program. The poor economy has led to a social malaise, alcoholism, labor unrest and strikes in Estonia. I'm told that Solidarity buttons were bringing $20 apiece in the Ukraine before December 13.

At some point, the bottom of the barrel is going to emerge in the Soviet Union. There are real constraints on the Soviets -- real constraints. They're only able to carry on their activities around the world because they've learned

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to use other people so well.

Q On the CIA itself: What have you done to build up the Agency after its years of buffeting?

A The basic intelligence-gathering capability can't be charged overnight. It had run down over a seven or eight year period largely because of a 40 percent drawdown in funds and a 50 to 60 percent drawdown in people. Over the past two years, starting with the last year of the Carter administration, there has been a solid buildup of capabilities.

We have completed an important exercise to examine the challenges that the intelligence community will face during the rest of the decade and the available technologies. We have defined the capabilities needed to meet those challenges. And we now have a general go-ahead to carry out that build up.

Q Does that involve a substantial increase in funding and staff?

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A Yes, but I can't be specific about either as they're classified. But the buildup is roughly in line with the defense buildup.

We also have introduced a number of other improvements to integrate more effectively the intelligence process with the administration's policy-making machinery and to improve coordination within the intelligence community. We now have a fast-track procedure that can produce an estimate in a week or two when policymakers need something quickly.

Q What importance do you attach to covert operations that were virtually suspended by the Carter administration?

A The Carter administration did virtually discontinue these for about two years but in the final two years they undertook increasing numbers of special activities. These can be important. We don't talk much about these activities as they're undertaken in confidence and only if they're authorized by the Executive Branch and reported to Congress.

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Q Are you seriously hampered by legislative constraints?

A No. We tell them about it in Congress. They've raised some questions and sometimes this helps us to fine-tune what we are doing.

Q Do you inform Congress of these operations before you start them?

A I can't think of anytime that we haven't.

Q Does the President's recent executive order defining the role of the CIA permit the agency to engage in operations in this country or spy on Americans abroad as critics have alleged?

A Despite the fuss made over the executive order, it doesn't alter the situation. We don't spy on Americans in this country. All counterintelligence, law-enforcement and antiterrorist activity in this country is the province of the Federal Bureau of Investigation. But since these problems don't stop at the water's edge -- they flow in -- the new executive order permits the CIA to operate to the

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extent of supporting and coordinating with the FBI. That means we operate under rules laid down by the Attorney General.

Now, there is a provision in the order permits us, in pursuit of foreign policy objectives abroad, to work with Americans who want to help or with foreigners here in this country.

(END INTERVIEW)

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